

<i>SERFF Tracking Number:</i>	<i>OSLI-126849299</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Old Surety Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>46992</i>
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>MS051 Individual Medicare Supplement - Standard Plans</i>	<i>Sub-TOI:</i>	<i>MS051.006 Plan F (Basic)</i>
<i>Product Name:</i>	<i>Medicare Supp Plan F (1990 Stand.)</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Filing at a Glance

Company: Old Surety Life Insurance Company

Product Name: Medicare Supp Plan F (1990 Stand.) SERFF Tr Num: OSLI-126849299 State: Arkansas

TOI: MS051 Individual Medicare Supplement - Standard Plans SERFF Status: Closed-Approved-Closed State Tr Num: 46992

Sub-TOI: MS051.006 Plan F (Basic) Co Tr Num: State Status: Approved-Closed

Filing Type: Rate Author: Dwight Herron Reviewer(s): Stephanie Fowler
Date Submitted: 10/06/2010 Disposition Date: 10/15/2010
Disposition Status: Approved-Closed

Implementation Date Requested: 01/01/2011

Implementation Date: 01/01/2011

State Filing Description:

General Information

Project Name:	Status of Filing in Domicile: Not Filed
Project Number:	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Group Market Size:
Overall Rate Impact: 8%	Group Market Type:
Filing Status Changed: 10/15/2010	Explanation for Other Group Market Type:
	State Status Changed: 10/15/2010
Deemer Date:	Created By: Dwight Herron
Submitted By: Dwight Herron	Corresponding Filing Tracking Number:

Filing Description:
Medicare Supp Plan F Rate Increase Filing

Company and Contact

Filing Contact Information

Dwight Herron, Secretary & Vice President	dherron@oldsurety.com
P O Box 54407	800-272-5466 [Phone]

SERFF Tracking Number: OSLI-126849299 State: Arkansas
 Filing Company: Old Surety Life Insurance Company State Tracking Number: 46992
 Company Tracking Number:
 TOI: MS051 Individual Medicare Supplement - Sub-TOI: MS051.006 Plan F (Basic)
 Standard Plans
 Product Name: Medicare Supp Plan F (1990 Stand.)
 Project Name/Number: /

Oklahoma City, OK 73154 405-524-4011 [FAX]

Filing Company Information

Old Surety Life Insurance Company	CoCode: 67326	State of Domicile: Oklahoma
P O Box 54407	Group Code:	Company Type: Life & Health
Oklahoma City, OK 73154	Group Name:	State ID Number:
(800) 272-5466 ext. [Phone]	FEIN Number: 73-0385800	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	Rate filing = \$ 50.00
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Old Surety Life Insurance Company	\$0.00	10/06/2010	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
0086255	\$50.00	10/06/2010

SERFF Tracking Number: OSLI-126849299 State: Arkansas
Filing Company: Old Surety Life Insurance Company State Tracking Number: 46992
Company Tracking Number:
TOI: MS051 Individual Medicare Supplement - Sub-TOI: MS051.006 Plan F (Basic)
Standard Plans
Product Name: Medicare Supp Plan F (1990 Stand.)
Project Name/Number: /

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Stephanie Fowler	10/15/2010	10/15/2010

SERFF Tracking Number: OSLI-126849299 State: Arkansas

Filing Company: Old Surety Life Insurance Company State Tracking Number: 46992

Company Tracking Number:

TOI: MS051 Individual Medicare Supplement - Standard Plans Sub-TOI: MS051.006 Plan F (Basic)

Product Name: Medicare Supp Plan F (1990 Stand.)

Project Name/Number: /

Disposition

Disposition Date: 10/15/2010

Implementation Date: 01/01/2011

Status: Approved-Closed

Comment: The requested rate increase has been approved to be implemented on or after January 1, 2011. This approval is subject to the following:

- Increases will not be given more frequently than once in a twelve-month period;
- The insureds shall be notified by the insurer of its intention to increase the rate for renewal not less than thirty (30) days prior to the effective date of the renewal.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Old Surety Life Insurance Company	8.000%	8.000%	\$10,140	42	\$126,744	%	%

<i>SERFF Tracking Number:</i>	<i>OSLI-126849299</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Old Surety Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>46992</i>
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>MS051 Individual Medicare Supplement - Standard Plans</i>	<i>Sub-TOI:</i>	<i>MS051.006 Plan F (Basic)</i>
<i>Product Name:</i>	<i>Medicare Supp Plan F (1990 Stand.)</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Health - Actuarial Justification	Approved	No
Rate	Med Supp Plan F	Approved	Yes

SERFF Tracking Number:	OSLI-126849299	State:	Arkansas
Filing Company:	Old Surety Life Insurance Company	State Tracking Number:	46992
Company Tracking Number:			
TOI:	MS051 Individual Medicare Supplement - Standard Plans	Sub-TOI:	MS051.006 Plan F (Basic)
Product Name:	Medicare Supp Plan F (1990 Stand.)		
Project Name/Number:	/		

Rate Information

Rate data applies to filing.

Filing Method:	Review and Approve
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	15.000%
Effective Date of Last Rate Revision:	01/01/2010
Filing Method of Last Filing:	Review and Approve

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Old Surety Life Insurance Company	8.000%	8.000%	\$10,140	42	\$126,744	%	%

SERFF Tracking Number: OSLI-126849299 State: Arkansas

Filing Company: Old Surety Life Insurance Company State Tracking Number: 46992

Company Tracking Number:

TOI: MS051 Individual Medicare Supplement - Sub-TOI: MS051.006 Plan F (Basic)

Standard Plans

Product Name: Medicare Supp Plan F (1990 Stand.)

Project Name/Number: /

Rate/Rule Schedule

Schedule	Document Name:	Affected Form	Rate	Rate Action Information:	Attachments
Item		Numbers:	Action:*		
Status:		(Separated with commas)			
Approved	Med Supp Plan F	Form 500-F-AR	New		Actuarial Mem - Form 500-F-AR 2011.pdf
10/15/2010					

Old Surety Life Insurance Company
Actuarial Memorandum
Form 500 – F – AR

Purpose

The purpose of this rate filing is to request a rate revision and to demonstrate that the anticipated loss ratio of the product meets the minimum requirements of your state. This rate filing is not intended to be used for other purposes.

General Descriptions

Form 500-F-AR is an individual Medicare Supplement Policy and is a closed block of business. This policy provides coverage for Standard Medigap Plan F.

Scope and Reason for Rate Request

The requested rate increase is 8%. The rate increase is necessary because of the changes in Medicare benefits, inflationary trends and adverse experience. If this rate increase is approved, it will be implemented on the next policy anniversary date after proper policyholder notification.

Estimated Average Annual Premium

The current and proposed estimated average annual premiums are shown below:

Current	\$4,362
Proposed	\$4,711

Historical Experience

The historical experience on this block of business from inception through August 31, 2010 is shown in Exhibit 1.

Loss Ratio Projection

The loss ratio projections without and with the proposed rate increase are shown in Exhibits 2 and 3. The following assumptions were used in the loss ratio projections:

Trend Rates:	10 %
Aging of Claims:	2%
Lapse Rates:	15%
Shock Lapses:	5%
Interest Rate	6%

Old Surety Life Insurance Company
Actuarial Memorandum
Form 500 – F – AR

Rate Increase: 8% (Implementation to begin 01/01/2011)

The projected loss ratios are shown in Exhibits 2 & 3. The Anticipated Future Loss Ratios and the Lifetime Anticipated Loss Ratios are as follows:

	Without Increase	With Increase
Future	76.5%	71%
Lifetime	63.5%	63%

The future loss ratio is calculated as the present value of future incurred claims divided by the present value of future earned premiums. The lifetime loss ratio is calculated as the sum of the accumulated incurred claims since inception plus the sum of the present value of future incurred claims divided by the sum of the accumulated earned premiums since inception plus the sum of the present value of future earned premiums.

Actuarial Certification

I certify that to the best of my knowledge and judgment, this rate submission is in compliance with the applicable laws and regulations of the state and the benefits are reasonable in relation to the premiums. The lifetime anticipated loss ratio exceeds the applicable loss ratio of 65%.



James L. Harlin FSA MAAA
FiSource, Inc
1019 Waterwood Pkwy Suite E
Edmond, OK 73034
Telephone: 405/513-5166
Fax: 405/513-5166

Exhibit 1
Old Surety Life Insurance Company
Policy Form Form 500-F-AR

Current Average Rate \$ 4,362

Proposed Average Rate \$ 4,711

Historical Experience

Issue Year	Number of Policies	Earned Premium	Incurred Claims	Loss Ratio
1995	26	\$ 5,419	\$ 3,185	59%
1996	227	\$ 129,193	\$ 74,318	58%
1997	340	\$ 299,900	\$ 161,511	54%
1998	387	\$ 415,993	\$ 236,503	57%
1999	400	\$ 442,621	\$ 270,605	61%
2000	422	\$ 478,371	\$ 342,295	72%
2001	391	\$ 521,215	\$ 361,596	69%
2002	304	\$ 546,159	\$ 353,312	65%
2003	262	\$ 508,273	\$ 303,170	60%
2004	241	\$ 474,180	\$ 264,317	56%
2005	197	\$ 423,366	\$ 259,001	61%
2006	136	\$ 357,972	\$ 189,025	53%
2007	116	\$ 305,010	\$ 215,467	71%
2008	97	\$ 290,244	\$ 233,641	80%
2009	60	\$ 254,000	\$ 189,501	75%
2010	42	\$ 126,744	\$ 57,401	45%

2010 is for data through August 31 2010

Exhibit 2
Old Surety Life Insurance Company
Policy Form Form 500-F-AR

10-Year Projection
Without proposed increase

Calendar Year	WITHOUT INTEREST			WITH INTEREST		
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio
1995	\$ 5,419	\$ 3,185	59%	\$ 12,987	\$ 7,633	59%
1996	\$ 129,193	\$ 74,318	58%	\$ 292,093	\$ 168,026	58%
1997	\$ 299,900	\$ 161,511	54%	\$ 639,665	\$ 344,491	54%
1998	\$ 415,993	\$ 236,503	57%	\$ 837,060	\$ 475,891	57%
1999	\$ 442,621	\$ 270,605	61%	\$ 840,227	\$ 513,689	61%
2000	\$ 478,371	\$ 342,295	72%	\$ 856,690	\$ 612,998	72%
2001	\$ 521,215	\$ 361,596	69%	\$ 880,582	\$ 610,909	69%
2002	\$ 546,159	\$ 353,312	65%	\$ 870,494	\$ 563,126	65%
2003	\$ 508,273	\$ 303,170	60%	\$ 764,255	\$ 455,856	60%
2004	\$ 474,180	\$ 264,317	56%	\$ 672,633	\$ 374,939	56%
2005	\$ 423,366	\$ 259,001	61%	\$ 566,559	\$ 346,602	61%
2006	\$ 357,972	\$ 189,025	53%	\$ 451,931	\$ 238,640	53%
2007	\$ 305,010	\$ 215,467	71%	\$ 363,272	\$ 256,625	71%
2008	\$ 290,244	\$ 233,641	80%	\$ 326,118	\$ 262,519	80%
2009	\$ 254,000	\$ 189,501	75%	\$ 269,240	\$ 200,871	75%
2010	\$ 190,116	\$ 89,546	47%	\$ 190,116	\$ 89,546	47%
2011	\$ 161,599	\$ 85,400	53%	\$ 152,452	\$ 80,566	53%
2012	\$ 137,359	\$ 81,446	59%	\$ 122,249	\$ 72,486	59%
2013	\$ 116,755	\$ 77,675	67%	\$ 98,030	\$ 65,217	67%
2014	\$ 99,242	\$ 74,078	75%	\$ 78,609	\$ 58,677	75%
2015	\$ 84,355	\$ 70,649	84%	\$ 63,035	\$ 52,793	84%
2016	\$ 71,702	\$ 67,377	94%	\$ 50,547	\$ 47,498	94%
2017	\$ 60,947	\$ 64,258	105%	\$ 40,533	\$ 42,735	105%
2018	\$ 51,805	\$ 61,283	118%	\$ 32,503	\$ 38,450	118%
2019	\$ 44,034	\$ 58,445	133%	\$ 26,064	\$ 34,594	133%
2020	\$ 37,429	\$ 55,739	149%	\$ 20,900	\$ 31,125	149%
Past	\$ 5,636,613	\$ 3,543,808	62.9%	\$ 8,820,935	\$ 5,514,726	62.5%
Future	\$ 865,226	\$ 696,350	80.5%	\$ 684,921	\$ 524,140	76.5%
Lifetime	\$ 6,501,839	\$ 4,240,157	65.2%	\$ 9,505,856	\$ 6,038,866	63.5%

Trend	10.0%	Old Blend Rt	\$ 4,362
Aging Trend	2.0%	New Blend Rt	\$ 4,711
Lapse rate	15.0%		
Shock Lapse	5.0%		
Int Rate	6.0%		

Exhibit 3
Old Surety Life Insurance Company
Policy Form Form 500-F-AR

10-Year Projection
With proposed increase

Calendar Year	WITHOUT INTEREST			WITH INTEREST		
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio
1995	\$ 5,419	\$ 3,185	59%	\$ 12,987	\$ 7,633	59%
1996	\$ 129,193	\$ 74,318	58%	\$ 292,093	\$ 168,026	58%
1997	\$ 299,900	\$ 161,511	54%	\$ 639,665	\$ 344,491	54%
1998	\$ 415,993	\$ 236,503	57%	\$ 837,060	\$ 475,891	57%
1999	\$ 442,621	\$ 270,605	61%	\$ 840,227	\$ 513,689	61%
2000	\$ 478,371	\$ 342,295	72%	\$ 856,690	\$ 612,998	72%
2001	\$ 521,215	\$ 361,596	69%	\$ 880,582	\$ 610,909	69%
2002	\$ 546,159	\$ 353,312	65%	\$ 870,494	\$ 563,126	65%
2003	\$ 508,273	\$ 303,170	60%	\$ 764,255	\$ 455,856	60%
2004	\$ 474,180	\$ 264,317	56%	\$ 672,633	\$ 374,939	56%
2005	\$ 423,366	\$ 259,001	61%	\$ 566,559	\$ 346,602	61%
2006	\$ 357,972	\$ 189,025	53%	\$ 451,931	\$ 238,640	53%
2007	\$ 305,010	\$ 215,467	71%	\$ 363,272	\$ 256,625	71%
2008	\$ 290,244	\$ 233,641	80%	\$ 326,118	\$ 262,519	80%
2009	\$ 254,000	\$ 189,501	75%	\$ 269,240	\$ 200,871	75%
2010	\$ 190,116	\$ 89,546	47%	\$ 190,116	\$ 89,546	47%
2011	\$ 164,260	\$ 80,376	49%	\$ 154,962	\$ 75,827	49%
2012	\$ 139,621	\$ 76,655	55%	\$ 124,262	\$ 68,222	55%
2013	\$ 118,678	\$ 73,106	62%	\$ 99,644	\$ 61,381	62%
2014	\$ 100,876	\$ 69,721	69%	\$ 79,903	\$ 55,225	69%
2015	\$ 85,745	\$ 66,493	78%	\$ 64,074	\$ 49,687	78%
2016	\$ 72,883	\$ 63,414	87%	\$ 51,380	\$ 44,704	87%
2017	\$ 61,951	\$ 60,478	98%	\$ 41,201	\$ 40,221	98%
2018	\$ 52,658	\$ 57,678	110%	\$ 33,038	\$ 36,188	110%
2019	\$ 44,759	\$ 55,007	123%	\$ 26,493	\$ 32,559	123%
2020	\$ 38,045	\$ 52,461	138%	\$ 21,244	\$ 29,294	138%
Past	\$ 5,636,613	\$ 3,543,808	63%	\$ 8,820,935	\$ 5,514,726	63%
Future	\$ 879,477	\$ 655,388	75%	\$ 696,202	\$ 493,308	71%
Lifetime	\$ 6,516,090	\$ 4,199,195	64%	\$ 9,517,137	\$ 6,008,034	63%

Trend	10.0%	Old Blend Rt	\$ 4,362
Aging Trend	2.0%	New Blend Rt	\$ 4,711
Lapse rate	15.0%		
Shock Lapse	5.0%	New/old Rt	108.0%
Int Rate	6.0%		